

28<sup>th</sup> May, 2024

To whom it may Concern

Rural and Regional Affairs and Transport Legislation Committee

**Re: Amendment Bill to the Illegal Prohibition Act**

My name is Paul O'Donnell – as the Founder and Managing Director I represent Maxlon Industries Pty Ltd (Maxlon).

Maxlon is an Importer of goods to Australia. We specialise in environmentally friendly and sustainable products not readily available in Australia. Some of our products include: recycled Kraft retail paper bags, cardboard boxes, recycled Kraft paper mailer satchels, glassine paper bags to replace single-use plastic bags and currently exploring plantation timber from Malaysia.

We support the actions our Parliament has taken to this point to help abolish the scourge of Illegal Logging. We do however feel strongly that the proposed Amendment Bill includes changes that are either irrational, unreasonable or unfair. Following I will detail our specific concerns as well as some market realities and possible solutions.

1. **TIMBER MARKET**

- a) Australia has an ongoing need for timber to supply a wide range of Industry (inc. housing).
- b) Several States have already, or are proposing, the reduction or complete abolition of logging in their State.
- c) The local industry simply cannot meet the demand for timber products - Imported timber is required to fill that void.

2. **REDUCING or ELIMINATING THE RISK?**

- a) Our understanding is that the current Act is based on reducing the risk, not eliminating it. This demonstrates an understanding that, in a practical sense, it is impossible to completely remove all risk of some illegally harvested timber reaching our shores.
- b) In recent years there has been a large (& warranted) increase in compliance requirements.
- c) That said, the Sunset Review did highlight that the due diligence process was onerous and needed an overhaul to recognise such things as:
  - the treatment of all Country of Origin in the same way regardless of the likelihood of Illegal Logging practices occurring (eg: Scandinavia vs Congo Basin). Reference the Global Corruption Perception Index.
  - the requirement that EVERY shipment requires the complete repeat documentation. A great many companies, ourselves included, have regular monthly shipments of: the same product, the same volume, the same source. To reduce the red tape & administration required, if not annual reporting, this could at least be reported quarterly?

ABN 68 622 951 480

Factory 40/74-86 Indian Drive, Keysborough. VIC 3173 Australia

Tel: +61 9133 4040 Email: [info@maxlon.com.au](mailto:info@maxlon.com.au)

- the burden we place on our suppliers. Let's face it, we are in competition with other customers and our suppliers have options. Some proven and reliable suppliers of conforming products have suggested to us that "Australia is just getting too difficult to sell to".  
Solution? - Don't eliminate the compliance, just make it more manageable.

3. CONFORMANCE or ENFORCEMENT?

- a) We certainly understand and support the efforts to remove Illegal Logging practices. As standard practice we only work with suppliers who:
- are FSC & SEDEX Certified
  - provide us complete Chain of Custody records and certification
  - whose office and manufacturing facilities we have personally visited and audited
- b) Industry talk around the DAFF Interpretation has lent heavily towards their priority being enforcement over conformance. The number of reports (& fines) attributed to administrative errors as opposed to actual illegal practices is not garnering industry support for the well-intentioned Legislation.

4. STRICT LIABILITY CRIMINAL OFFENCE

This understandably is one of our greatest concerns.

Put simply - if we were to import a paper product after auditing the manufacturers facilities, sighting and confirming their current FSC Certification, checking the current FSC certification of the paper mill that produced the raw paper, were provided Chain of Custody Certification all the way from the forest where the original timber was harvested, completed word-perfect compliance records etc. – yet, due to a new fibre testing enforcement mechanism, were an illegally logged substance be found in the paper we can now be found CRIMINALLY liable with the potential of going to jail!

Honestly, this beggars belief and should not be in the Legislation.

Solution? If we do all want the same thing – to end Illegal Logging – then the best way to get everyone on-board is to make the fibre testing available to the industry so we can at least apply to have samples tested against what the manufacturer has advised us BEFORE we import them.

I can guarantee the Committee that no-one at Maxlon wants anything to do with any illegally logged product and we do all the due diligence possible we can to avoid this.

- Don't threaten us with a criminal offence for not having laboratory access to the latest technology.
- Do not just have this technology available for enforcement after the event.



Maxlon Industries Pty Ltd

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I repeat, we are all in favour of doing everything practical to stop Illegal Logging in its tracks. Please understand however that due to the nature of this industry: mixed woodchip piles, paper made from constantly changing stocks of mixed sawdust and so on, it is impossible to 100% remove any risk.

To then be criminally liable for any breakdown in a potentially long and multinational supply chain is an unacceptable risk for myself and for my Company.

At an extreme level, Australia risks:

- no longer producing enough timber for our basic needs and
- finding that Importers are not willing to risk criminal prosecution for not reaching an impossibly high compliance level.

The implication to the economy will be:

- dramatically higher timber prices with of the course the flow-on effect to every product comprising a timber base and
- increased unemployment as jobs disappear and businesses close.

In closing I wish to again state that we support the intention of the original Legislation. We do however strongly object to the changes in the Amendment Bill as well as to the pecuniary priority the compliance team at DAFF are demonstrating.

Thank you for considering our views and we wish the Committee a clear and rational path towards amending the Act.

Yours Sincerely

Paul O'Donnell  
Managing Director